<u>REMARKS</u>

After the foregoing Amendment, claims 1-9 and 20 are currently pending in this application. Claims 11-19 have been canceled.

Claim Rejections - 35 U.S.C. § 112

Claims 11, 12, and 17 were rejected under 35 U.S.C. § 112 second paragraph as indefinite for including terms having allegedly insufficient antecedent basis. Those claims have been canceled, mooting the rejection.

Claim Rejections - 35 U.S.C. § 102

Claims 1-9 and 11-20 were rejected under 35 U.S.C. § 102(e), as being allegedly anticipated by Schriefer (2004/0023520). This rejection is respectfully traversed.

With regard to claim 1, the examiner contends that Schriefer discloses all of its elements, citing page 1, paragraphs 4, 5, and 8 of Schriefer. Applicant respectfully disagrees. Although Schriefer discloses "some prior art devices provide connectors that allow one degree of freedom motion" (paragraph 5 lines 1-2), it is not clear that such devices are not simply extensions, providing a flexible connector for use in conjunction with a separate functional device. In contrast, the claims recite a flexible token which comprises a bendable member.

Furthermore, although Schriefer discloses that "connectors ... may further be incorporated within devices" (paragraph 8 lines 11-14), it is apparent from the detailed disclosure that the disclosed arrangement comprises a device having both a first and a second connector head. Schriefer discloses that the second connector head is "fixedly coupled or integral to a functional unit" (paragraph 23 lines 2-3). Thus, the second connector head is not eliminated, but

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instead is fixedly coupled to a functional unit (as distinct, for example, from being slidably or insertably coupled), or is otherwise somehow integrated with the functional unit while still being in existence, and the functional unit can presumably be uncoupled from it. In contrast, in claim 1 a flexible token comprises a member for insertion into a USB female connector, coupled by a bendable member to a second member having a processor providing conditional access to data stored in a memory, all of which are incorporated directly into the flexible token and cannot be uncoupled from it. Applicant respectfully submits that Schriefer appears to disclose only an extension plug which allows a functional device to be coupled with (or integrated with) the extension. The functional device retains its own connector head, and Schriefer discloses a connecting device having other first and second connector heads to allow the functional device to be connected to a host, the connecting device providing multiple degrees of freedom in the physical orientation of the functional device with respect to the host.

In addition, the examiner contends that Schriefer discloses a flexible token, citing "memory devices, communication devices, etc." in paragraph 8. That is incorrect. As would be understood by one of ordinary skill in the art, a token is a device that is used to authenticate a computer user. For example, as described on www.wikipedia.org, "A security token (or sometimes a hardware token, authentication token or cryptographic token) may be a physical device that an authorized user of computer services is given to aid in authentication... Hardware tokens are typically small enough to be carried in a pocket or purse and often are designed to attach to the user's keychain. Some may store cryptographic keys, such as a digital signature, or biometric data, such as a fingerprint." (http://en.wikipedia.org/wiki/Hardware_token, viewed on 5/8/2008). Thus, claim 1 recites "a flexible token" comprising a second member "having a processor providing conditional access to data stored in a memory."

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In contrast, Schriefer does not contain even a single reference to a "token," a "processor," or "encryption," and only a single reference to "secure data" and "security devices" (paragraph 30 lines 16-18). Applicant respectfully submits that this isolated reference is not sufficient to disclose a token. For example, "secure data" might simply refer to a flash drive or the like that contains password-protected data, and "security devices" might refer, for example, to a surveillance camera. Schriefer does not disclose, suggest, or imply a token, as recited in claim 1.

Because Schriefer does not teach all of the features of claim 1, Schriefer does not anticipate claim 1 under 35 USC § 102(e), and claim 1 is allowable over Schriefer. Claims 2-9 and 20 depend from claim 1. Therefore, without prejudice to their own individual merits, those claims are also allowable.

Claims 11-19 have been canceled, mooting the rejection as to those claims.

Claim Rejections - 35 U.S.C. § 103

Claim 10 was rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over Schriefer (same as above) in view of Elteto *et al.* (2001/0043702). This rejection is respectfully traversed.

Claim 10 depends from claim 1, and Elteto does not supplement Schriefer to provide all of the features of claim 1 missing in Schriefer. It would not have been obvious to combine Schriefer with Elteto since the combination would lack features of the invention recited in claim 10. Therefore, without prejudice to its own individual merits, claim 10 is deemed allowable over Schriefer in view of Elteto for at least the reasons claim 1 is allowable over Schriefer alone.

Reconsideration and withdrawal of the 35 U.S.C. § 103(a) rejection of claim 10 is respectfully requested.

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Conclusion

In view of the foregoing amendment and remarks, Applicant respectfully submits that the present application, including claims 1-9 and 20, is in condition for allowance and an early notice of allowance is respectfully requested.

Respectfully submitted,

LASZLO ELTETO

BY:

GREGORY J. LAVORGNA

Registration No. 30/469

DRINKER BIDDLE & REATH LLP

One Logan Square 18th and Cherry Streets

Philadelphia, PA 19103-6996

Tel: (215) 9880-3309 Fax: (215) 988-2757 Attorney for Applicant